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Programme and of the
United Nations Population Fund**

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Financial, administrative and budgetary matters

**Information on United Nations system technical cooperation
expenditures, 2004***

Summary

The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole. It also provides an analysis of technical cooperation provided by the UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and other specialized agencies, funds and programmes.

For the purpose of the report, technical cooperation assistance is the summation of field programme expenditure, net of support and administrative costs. The World Bank/International Development Association (IDA) is excluded from this traditional view of technical cooperation, aimed essentially at expanding the 'software' aspects of development. The World Bank/IDA does, however, offer a similar category of assistance specifically to backstop its large-scale programmes and projects.

A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities for 2004 (A/59/85-E/2004/68). The analysis provided in the present report is based on the data presented at the end of the report and in the addendum (DP/2005/34/Add.1).

The Executive Board may wish to take note of the present report.

* The compilation of data required to present the Executive Board with the most current information has delayed submission of the present document.



I. Highlights

1. In line with last year's record high expenditure levels, 2004 marked the first year that technical cooperation to the developing world by the United Nations system (excluding the World Bank Group) hit the \$10 billion mark. Although this is the highest level of expenditure in the last decade, it represents only a modest increase of 3.4 per cent over 2003 (\$9.7 billion). As in the past, the key player is the World Food Programme (WFP), although this year marked a decline of 11.5 per cent in total delivery, from \$3.3 billion in 2003 to \$2.9 billion in 2004. UNDP posted an increase of 17.3 per cent (from \$2.4 billion in 2003 to \$2.8 billion in 2004), shifting its delivery to the second highest. Specialized agencies, UNICEF and UNFPA had increases of 4.5 per cent (from \$2.51 billion in 2003 to \$2.62 billion in 2004), 11.2 per cent (from \$1.20 billion in 2003 to \$1.34 billion in 2004), and 16.4 per cent (from \$272.9 million in 2003 to \$317.6 million in 2004), respectively. It should be noted that the 2004 high expenditure level was the result of consistent levels of growth by the majority of the agencies (see figures 1 and 2).

2. World Bank/IDA assistance to the developing world amounted to \$271.6 million in 2004, a decrease of \$27.5 per cent when compared to 2003 (\$374.5 million). Since 1998, the World Bank/IDA no longer specifically records expenditures for technical cooperation activities. Summary data submitted represent a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects. Its delivery figures, combined with those of the rest of the United Nations system, reached the \$10.3 billion mark.

3. There was minimal change in the geographic pattern of United Nations system-wide cooperation with the regions of the world (see figures 3 and 4) in the last three years. Once again, Africa was the largest recipient of development assistance aggregating to \$2.6 billion, while the Arab States region received \$2.5 billion. Overall, WFP was the largest contributor in 2004, with a 29 per cent share (\$2.9 billion) in the entire pool of regional expenditure of \$10 billion. UNDP had a 28.2 per cent share at \$2.8 billion, while other specialized agencies, funds, and programmes had a 26.2 per cent share (\$2.6 billion), UNICEF 13.4 per cent (\$1.3 billion) and UNFPA 3.2 per cent (\$317.5 million).

Figure 1. United Nations system overall technical cooperation expenditure, 2000-2004
(in millions of dollars)

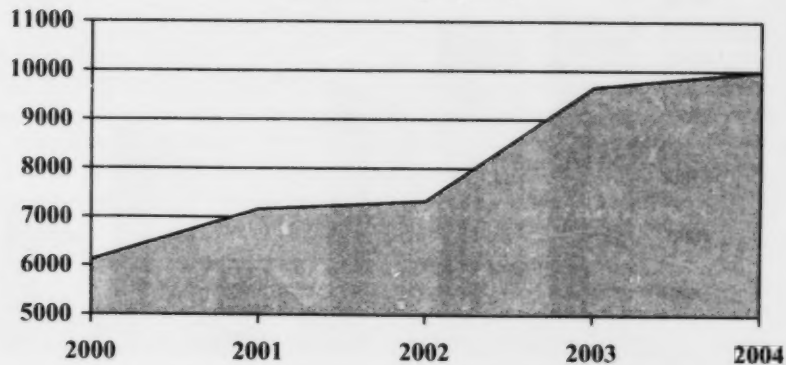


Figure 2. United Nations system technical cooperation expenditure, 2000-2004: by organization
(in millions of dollars)

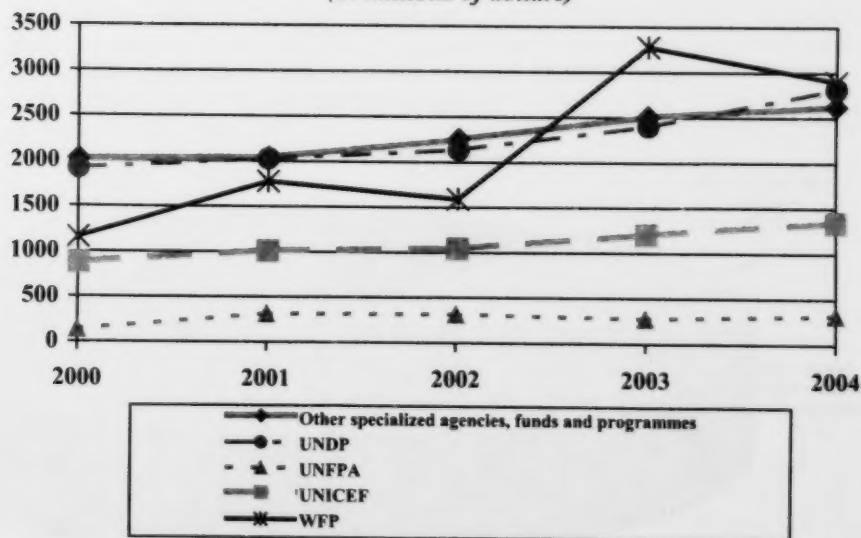


**Figure 3. United Nations system technical cooperation, 2004:
Geographic breakdown
(in millions of dollars)**

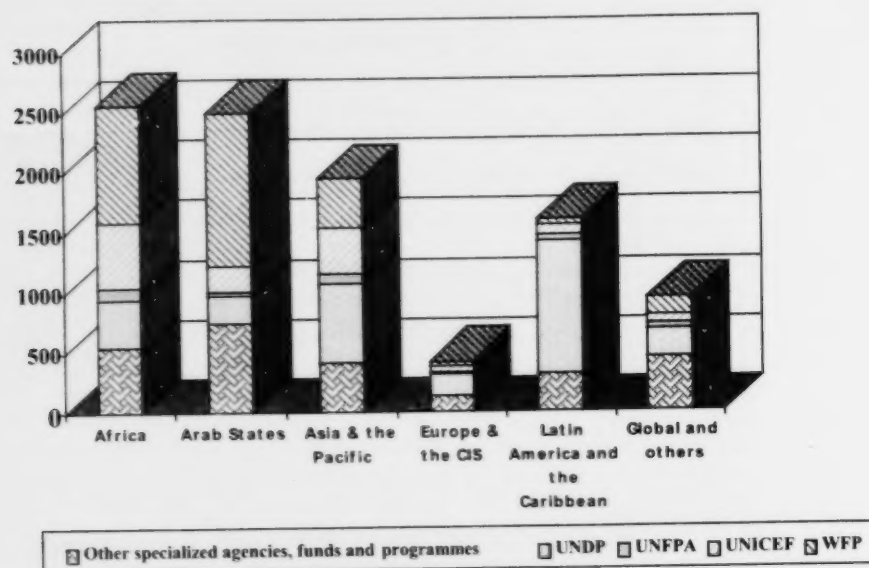
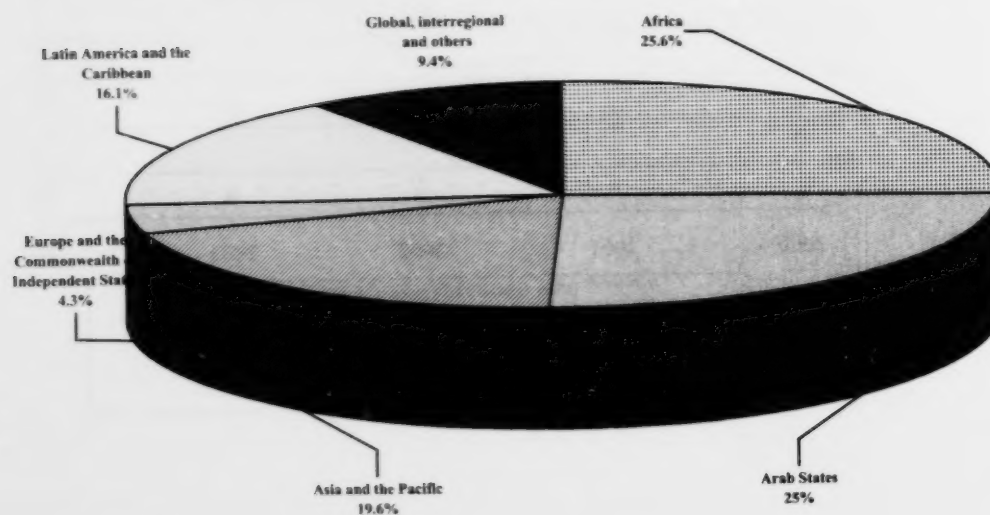


**Figure 4. United Nations system technical cooperation, 2004:
by region (\$10 billion)**



4. Five countries were recipients of one quarter of total United Nations system expenditures in 2004: Iraq (\$1.1 billion), Afghanistan (\$539 million), Sudan (\$506 million), Brazil (\$289 million) and Ethiopia (\$257 million). In 2004, 22 countries received over \$100 million in total United Nations system technical cooperation, accounting for \$4.96 billion, or 49.6 per cent of the total \$10 billion. Figures 5 and 6 illustrate the breakdown of the top 15 technical assistance recipients accordingly.

5. Similarly to the last three years, the sectors that had the highest percentage of United Nations technical cooperation expenditure in 2004 were humanitarian assistance – \$2.7 billion, representing 26.6 per cent – and health – \$2 billion, representing 19.1 per cent. WFP expenditure in humanitarian assistance-related activities was the highest, at 75.2 per cent of \$2.6 billion, while the other specialized agencies, funds and programmes had the largest share of expenditure in the health sector (51 per cent of the total \$1.9 billion). UNFPA totalled \$318 million in 2004.

II. Analysis of technical cooperation

A. Other specialized agencies, funds and programmes

6. Similarly to last year, the same five agencies expended the bulk percentage of total technical cooperation, channelling about 82 per cent of the total \$2.6 billion. Continuing the three-year trend, WHO delivered approximately one third, or \$947 million of technical cooperation for both regular and extrabudgetary resources. Following the WHO, in terms of percentage distribution, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) delivered 19.2 per cent, or \$504 million, of expenditures, followed by the Food and Agriculture Organization of the United Nations (FAO) at 12.8 per cent, or \$337 million. The United Nations Educational, Scientific and Cultural Organization (UNESCO) had 9 per cent, or \$237 million, while the International Labour Organization (ILO) had 5.2 per cent, or \$136 million.

Figure 5. Top 15 recipients of United Nations system technical assistance, 2004
(in millions of dollars)

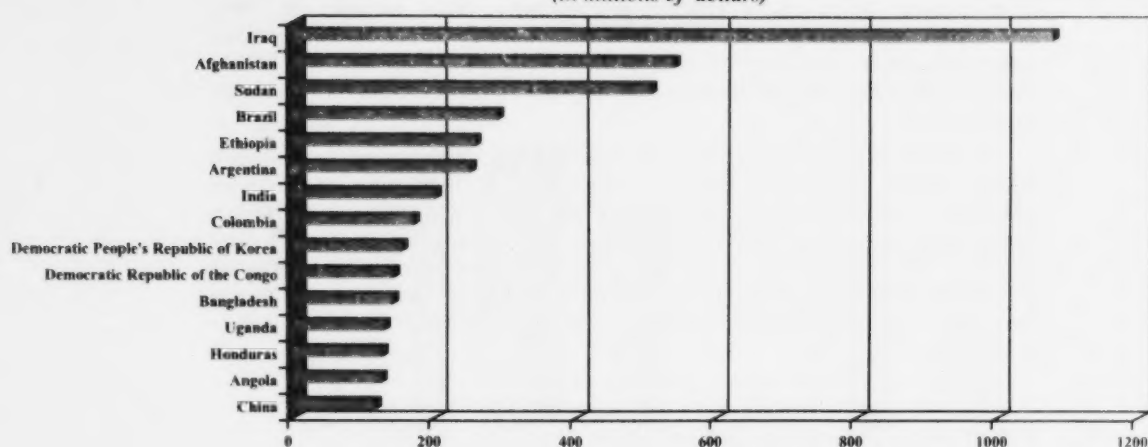
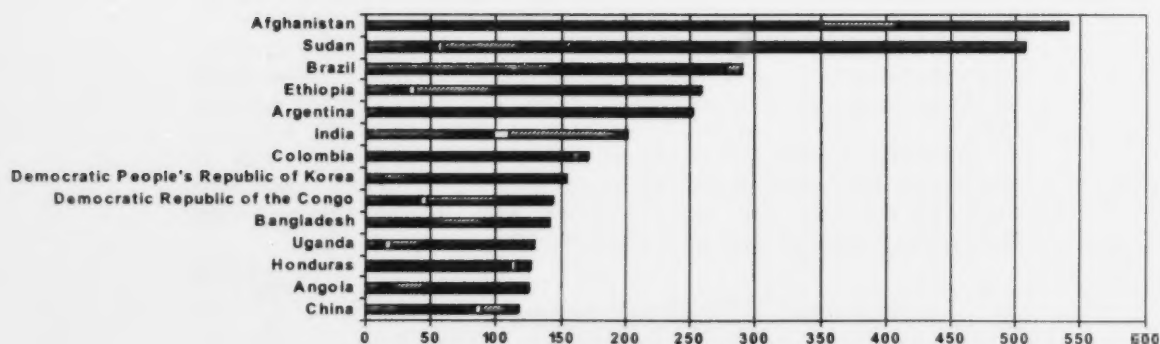


Figure 6. Top 15 recipients (excluding Iraq) of United Nations system technical assistance, 2004
(in millions of dollars)



☐ Executing and specialized agencies
 ☒ UNDP
 ☐ UNFPA
 ☐ UNICEF
 ☒ WFP

7. There was an overall decline in expenditures funded by regular budgets, from \$518 million in 2003 to \$497 million in 2004 (a 4.1 per cent decrease). Conversely, there was an increase of 5 per cent in expenditures funded by extra-budgetary sources from \$2 billion in 2003 to \$2.1 billion in 2004. Overall, there was a 4 per cent increase in other specialized agencies, funds and programmes expenditure delivery, from \$2.5 billion in 2003 to \$2.6 billion in 2004.

8. The data on sectoral distribution indicate that for four consecutive years, health, humanitarian assistance and agriculture/forestry/fisheries was 69.8 per cent of the total for other specialized agencies, funds and programmes development cooperation (\$2.6 billion). The following sectors reported expansion in technical cooperation in 2004: population (46.3 per cent), and general development issues (19 per cent).

9. For the seventh year, Iraq and Brazil continued to receive the highest proportion of resources delivered by the group of other specialized agencies, funds and programmes. Iraq received \$78 million, while Brazil absorbed \$140 million. Seven other countries were recipients of over \$20 million in agency expenditures: India (\$61.7 million), Nigeria (\$49.2 million), Afghanistan (\$34.6 million), Pakistan (\$33.7 million), Sudan (\$30.7 million), China (\$26.4 million), and Mexico (\$20.0 million).

10. Total contributions to other specialized agencies, funds and programmes experienced a decrease of 11.5 per cent in 2004, \$2.3 billion as compared to \$2.6 billion in 2003. Six organizations accounted for 87 per cent (\$2.0 billion): WHO (\$825.4 million), UNRWA (\$449.4 million), FAO (\$300.5 million), UNESCO (\$172.8 million), ILO (146.4 million) and the United Nations International Development Organization – UNIDO (\$129.5 million). The top seven donors, each contributing over \$100 million were the United States (\$304 million), the United Kingdom (\$187.8 million), Italy (\$146.7 million), Sweden (\$125.6 million), the Netherlands (\$122.7 million), Canada (\$119.5 million) and Norway (\$106.3 million), accounting for 69 per cent, or \$1.1 billion, of the total contributions of member states to agency activities in 2004 (\$1.6 billion).

B. The United Nations Development Programme

11. UNDP continued its upward trend in delivery with an increase of 17 per cent in 2004 (\$2.8 billion, up from \$2.4 billion in 2003). Regular resources expenditures grew by 18 per cent, from \$398 million in 2003 to \$469 million in 2004. Furthermore, donor cost-sharing rose by 68 per cent, from \$304 million in 2003 to \$511 million in 2004, while UNDP-administered funds and trust funds recorded an increase of 19 per cent, from \$671.0 million in 2003 to \$799.6 million in 2004.

12. An overview by execution modality reveals that national execution continues to be the preferred modality in UNDP programmes. Direct execution had a 49 per cent growth, from \$440 million in 2003 to \$654 million in 2004. These two modalities delivered nearly \$2.1 billion, approximately 81 per cent of all UNDP programme expenditure.

13. Voluntary contributions to UNDP regular resources recorded an increase of 9 per cent in 2004, from \$770 million in 2003 to \$842 million, the highest amount received in the last six years.

C. The World Food Programme

14. This year marked a decline of 12 per cent in WFP technical cooperation expenditure, from \$3.3 billion in 2003 to \$2.9 billion in 2004. WFP expends most of its resources in the humanitarian assistance sector, in keeping with its mandate to assist victims of human-provoked and natural disasters. This year \$2 billion was

allocated to this sector, a drop of 17 per cent compared to \$2.4 billion in 2003. The major regions that benefited from WFP delivery were the Arab States and Africa, with Arab States taking the bulk share of expenditure for the second consecutive year. Five countries received over \$100 million in WFP support in 2004: Iraq (\$800 million), Sudan (\$389 million), Ethiopia (\$161 million), Afghanistan (\$131 million) and the Democratic People's Republic of Korea (\$121 million).

15. Contributions made to WFP declined by 11 per cent, from \$3.7 billion in 2003 to \$3.3 billion in 2004. Of this amount, 58 per cent, or \$1.9 billion, represents voluntary contributions from Member States. The United States decreased its contributions by 38 per cent, from \$1.6 billion in 2003 to \$1 billion in 2004. The United States accounted for 32 per cent of the WFP funding base in 2004. Other donors that contributed over \$100 million to WFP in 2004 were Japan (\$130 million), the United Kingdom (\$111 million), and Canada (\$102 million).

D. The United Nations Children's Fund

16. UNICEF continued its expansion in the technical cooperation arena with an increase of 11.2 per cent in 2004, surpassing the \$1.0 billion level for the fourth straight year. The bulk of this expenditure was channelled to health-related activities, wherein \$524.7 million, or 39.1 per cent, was expended. Three other sectors were the focus of UNICEF activities in 2004; general development issues, which received \$322.5 million (up from \$272 million in 2003), education, which received \$181.8 million (up from \$142 million in 2003), and the environment, which received \$131.3 million (up from \$110 million in 2003). Altogether, these four sectors attracted almost \$1.16 billion (87 per cent) of the total value of UNICEF assistance recorded in 2004 (\$1.34 billion).

17. Africa and the Asia and Pacific regions have been the largest partners of UNICEF cooperation since 1996, and 2004 was no exception. Asia and the Pacific absorbed \$372.7 million, while Africa absorbed \$531.9 million. Both regions received in total nearly \$905 million, or 70 per cent, of overall UNICEF assistance. Worth noting was the growing cooperation with the Arab States, from \$75 million in 2002, to \$178.7 million in 2003, to \$227.7 million in 2004. The six countries (up from three in 2003) that received over \$50 million of UNICEF assistance in 2004 were Iraq (\$98.9 million), India (\$81.4 million), Ethiopia (\$58.4 million), Sudan (\$57.4 million), Afghanistan (\$57.2 million) and the Democratic Republic of the Congo (\$52.4 million).

18. Total contributions to UNICEF decreased by 6 per cent, from \$1.7 billion in 2003 to \$1.6 billion in 2004. The United States was the principal donor to UNICEF, and further increased its contribution by an additional 5 per cent, from \$288 million in 2003 to \$303 million in 2004. Five other donors contributed over \$100 million: the United Kingdom (\$208 million), Japan (\$171 million), Norway (\$130 million), Sweden (\$116 million) and the Netherlands (\$102 million). The cumulative percentage share of the top six donors was 69 per cent of the overall contributions from Member States (\$1.5 billion).

E. The United Nations Population Fund

19. UNFPA technical cooperation rose by 16.5 per cent, from \$273 million in 2003 to \$318 million in 2004. In terms of execution modality, 54 per cent – or \$170 million – of UNFPA projects and programmes were self-executed in 2004; hence, direct execution was the modality of choice. National execution ranked second, carrying out 31 per cent – or \$98 million – of UNFPA activities in 2004. All regions, apart from Europe, witnessed an increase in expenditure, most notably the Arab States (from \$16.9 million in 2003 to \$27.6 million in 2004). In 2004, Africa absorbed \$104.4 million (33 per cent of overall expenditures) while Asia and the Pacific absorbed \$87.9 million (28 per cent).

20. UNFPA cooperation with India rose in 2004 from \$6.8 million in 2003 to \$11.9 million in 2004, the highest level of assistance by UNFPA to any country in 2004. Peru was at a close second, receiving \$9.4 million (up from \$1.6 million in 2003).

21. Contributions to UNFPA activities increased in 2004 by 21 per cent, from \$378.5 million in 2003 to \$456.5 million in 2004. This was primarily the result of a similar increase in voluntary contributions to UNFPA from Member States. Major donors for 2004 included the Netherlands (\$112.9 million), Sweden (\$42.5 million), the United Kingdom (\$41.4 million) and Japan (\$40.5 million).

F. The World Bank/International Development Association

22. As previously mentioned, in lieu of specifically targeted expenditures for technical cooperation activities, the World Bank uses a combination of loans and grants related to assistance preceding, or combined with, large-scale programmes and projects. Funding for these activities is often provided from: (a) learning and innovation loans (LILs); (b) technical assistance loans (TALs); (c) institutional development funds (IDF); and (d) the Development Grant Facility (DGF). Total expenditure for 2004 was derived from the first two sources – LILs and TALs. LILs expended \$12.2 million while TALs expended \$259.4 million, resulting in an overall total of \$271.6 million. Of this figure, the World Bank covered assistance amounting to 15.6 per cent, or \$42.5 million, while IDA covered 84.4 per cent, or \$229.1 million. Compared to 2003, assistance has dropped by 27.5 per cent, from \$374.5 million to \$271.6 million in 2004 (see table 23 of DP/2005/34/Add.1 for more data on the World Bank Group).

United Nations system: summary statistics on technical cooperation expenditure and contributions, 2000-2004
(in thousands of dollars)

	2000		2001		2002		2003		2004	
A. Expenditure	\$M	% a/	\$M	% a/	\$M	% a/	\$M	% a/	\$M	% a/
Specialized agencies, funds and programmes	2 022.9	32.6	2 036.7	0.7	2 251.7	10.6	2 510.3	11.5	2 623.1	4.5
Regular budgets	469.6	5.8	424.0	(9.7)	479.4	13.1	518.2	8.1	496.8	(4.1)
Extrabudgetary	1 553.3	43.7	1 612.7	3.8	1 772.4	9.9	1 992.1	12.4	2 126.3	6.7
UNDP	1 917.7	(6.2)	2 026.6	5.7	2 148.7	5.5	2 401.6	12.3	2 816.7	17.3
Central	1 457.9	(10.7)	1 526.2	4.7	1 492.9	(2.2)	1 737.0	16.3	2 017.2	16.1
Regular (core)	404.3	(21.1)	353.5	(12.6)	356.7	0.9	397.9	11.5	469	17.8
Government cost-sharing and government cash counterpart contributions	870.9	(7.6)	970.3	11.4	863.4	(11.0)	1 034.9	19.9	1 037.7	0.3
Third-party cost-sharing	182.7	3.2	202.4	10.8	272.8	34.8	304.0	11.4	510.5	67.9
Funds and administered trust funds	459.8	11.5	500.4	8.8	655.8	28.9	671.0	2.3	799.6	19.2
UNFPA b/	134.1	(28.3)	313.6	133.9	312.5	(0.4)	272.9	(12.7)	317.6	16.4
UNICEF	885.0	8.2	1 011.9	14.3	1 043.9	3.2	1 208	15.7	1 343.6	11.2
WFP g/	1 158.3	(19.0)	1 776.4	53.4	1 592.2	(10.4)	3 275.3	105.7	2 899.6	(11.5)
World Bank Group d/	681.1	(11.8)	-	-	-	-	374.5 ^e	-	271.6	(27.5)
World Bank	211.8	(24.5)	-	-	-	-	156.1	-	42.5	(72.8)
IDA	305.4	(11.5)	-	-	-	-	218.4	-	229.1	4.9
Other Sources	163.9	11.7	-	-	-	-	-	-	-	-
Total (expenditures) excluding the World Bank Group	6 118.0	1.9	7 165.3	17.1	7 338.3	2.4	9 668.1	31.7	10 000.6	3.4
B. Contributions										
Agencies - extrabudgetary	1 792.1	19.4	1 984.5	10.7	1 952.1	(1.6)	2 577.2	32	2 575.7	(0.1)
Total bilateral	1 471.1	16.6	1 567.2	6.5	1 375.7	(12.2)	1 806.4	31.3	2 038.9	12.9
Countries/territories	1 066.0	21.8	1 115.7	4.7	1 075.4	(3.6)	1 384	28.7	1 567.1	13.2
NGOs	208.6	24.1	189.2	(9.3)	99.3	(47.5)	188.7	90	207.6	10.1
Unilateral self-supporting	196.5	(10.1)	262.2	33.5	201.1	(23.3)	233.7	16.2	264.0	13
Total multilateral	321.0	34.5	417.3	30.0	576.4	38.1	770.8	33.7	536.8	(30.4)
United Nations system	237.0	69.5	298.8	26.1	411.4	37.7	549.4	33.5	278.1	(49.4)
Non-United Nations system	84.0	(15.1)	118.5	41.0	165.0	39.2	221.4	34.2	258.7	16.8
UNDP (voluntary)	634.1	(6.9)	651.8	2.8	663.1	1.7	762.4	15	833.4	9.3
UNFPA (voluntary)	255.8	4.8	349.1	36.5	312.0	(10.6)	334.6	7.2	406.6	21.5
UNICEF (voluntary) g/	718.6	6.3	769.4	7.1	884.5	15.0	1 099.8	24.3	1 460.8	32.8
WFP (voluntary) g/	1 256.7	(8.9)	1 501.1	19.4	1 622.0	8.06	2 471.2	52.4	1 898.7	(23.2)

a/ Represents percentage increase over previous year's figure.

b/ The figure for UNFPA-2000 did not include programme expenditures funded by other resources. For UNFPA-2001, UNFPA reported programme expenditures funded by regular as well as other resources.

c/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998, 1999, 2000 and 2001 and revised contributions data for 2002.

d/ After a two-year lapse, the World Bank submitted 2003 data.

e/ UNICEF submitted revised contributions data for 1996, 1997, 1998 and 1999.

Note: Contribution data refer to voluntary contributions to regular resources from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost sharing, funds and trust funds, government cash counterpart contributions, contributions to local office costs, extrabudgetary activities and management services agreements. In the case of UNICEF, other elements of income include various private sources, inter-organizational arrangements and miscellaneous.